

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF JAMES EISSES)	APPEAL NO. 06-A-2538
from the decision of the Board of Equalization of)	FINAL DECISION
Kootenai County for tax year 2006.)	AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing December 12, 2006, in Coeur d'Alene, Idaho, before Board Member Vernon L. Driver. Board Members Lyle R. Cobbs and David E. Kinghorn participated in this decision. Appellant Jim Eisses and witness Gary Frame appeared at the hearing. Residential Appraisal Manager Darin Krier, Residential Appraisers Chrystal Booth, Shane Harmon and Ken Merwin appeared for Respondent Kootenai County. This appeal is taken from a decision of the Kootenai County Board of Equalization (BOE) denying the protest of the valuation for taxing purposes of property described as Parcel No. 025200030090.

The issue on appeal is the market value of residential property.

The decision of the Kootenai County Board of Equalization is modified.

FINDINGS OF FACT

Subject's assessed land value is \$1,134,000, and the improvements' valuation is \$211,041, totaling \$1,345,041. Appellant requests the land value be reduced to \$570,000, and the improvements' value remain at \$211,041, totaling \$781,041.

The subject property is a waterfront single family dwelling located on the east side of lake Coeur d'Alene in Finney Tracts. The 2,154 square foot residence was built in 1997 and sits on 1.244 acres that includes a boat dock and 400 feet of waterfront.

It was revealed that the parties met one day prior to this hearing, where the Assessor adjusted subject's usable lake frontage to 199.14 feet rather than 400 feet as originally assessed. This resulted in a reduced land value of \$829,648, an improvements' value of \$210,891, and a total assessment of \$1,040,539. Appellant agreed with the reduced lakefront footage, but still

had issue with subject's assessment.

Appellant argued subject's assessment excessive because of the shape and lack of utility of the lot. It was shown that approximately one half of the water frontage was unusable because it was a steep cliff that offered no access to the lake. Appellant also noted subject contained only one residential structure and the land was not divisible.

Next, it was contended that subject was assessed inequitably compared to nearby parcels. Appellant claimed adjacent lots did not see the dramatic value increase that subject did. Referencing an adjacent lot, Appellant used the lakefront footage to calculate an approximate value of \$3,500 per linear foot for lake frontage. This number was then applied to subject to arrive at Appellant's proposed assessment.

Appellant also suggested the L.I.D. (Local Improvement District) assessment method should have been used to value subject.

Respondent explained that subject's area was last re-appraised in 2003 and how the base rates were determined. To maintain market values each year, positive trends were applied to the original base values. Respondent also mentioned that per Idaho Code market value must be determined annually by re-appraisal or indexing (trending). It was noted the trend rate was uniformly applied to all properties in the area.

Respondent also remarked the sales data indicated that parcels containing between 80 and 100 feet of lake frontage commanded \$6,048 per foot. A 10% discount rate was applied to lakefront footage in excess of 100 feet, while a positive percentage adjustment was applied to parcels with less than 80 feet of lakefront.

Respondent referenced two improved sales in subject's area to support the assessment. Adjustments were made for the amount of lake frontage as well as the accessibility of the

lakefront portion. A time adjustment was also applied to the sales.

It was then argued the L.I.D. assessment method would be improper in subject's case because such a method is applied to commercial properties, not residential.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

Idaho is a market value state for the purpose of taxation, as defined in Idaho Code § 63-201(10):

“Market value” means the amount of United States dollars or equivalent for which, in all probability, a property would exchange hands between a willing seller, under no compulsion to sell, and an informed, capable buyer, with a reasonable time allowed to consummate the sale, substantiated by a reasonable down or full cash payment.

Appellant's primary point of contention was with subject's dramatic value increase in one year. Idaho statutes, however, do not limit the amount of possible increase or decrease in assessed value per year, and Idaho Code § 63-205(1) requires real property be assessed at current market value each year.

Respondent thoroughly detailed the indexing methodology used to assess property in subject's area. The evidence illustrated compliance with Idaho's market value standard and required valuation program.

The Assessor's valuation of property for the purposes of taxation is presumed correct. The Senator, Inc. v. Ada County Board of Equalization, 138 Idaho 566, 569, 67 P.3d 45, 48

(2003). The court will grant relief where the valuation fixed by the assessor is manifestly excessive, fraudulent or oppressive; or arbitrary, capricious and erroneous resulting in discrimination against the taxpayer. Merris v. Ada County, 100 Idaho 59, 593 P.2d 394 (1979).

No error in the assessed value of subject has been demonstrated by Appellant. While subject's value increased significantly from 2005, the increase was supported by recent sales. Adjustments were made to account for differences in the sale properties compared to subject and nothing in the record indicates that subject's assessment was arbitrary or capricious. Therefore, we accept Respondent's proposed assessment reduction. The decision of the Kootenai County Board of Equalization is so modified.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Kootenai County Board of Equalization concerning the subject parcel be, and the same hereby is, modified to reflect a decrease in land value to \$829,648 and total valuation of \$1,040,539.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

DATED this 27th day of April, 2007.